

# SENATE RECORD VOTE ANALYSIS

104th Congress  
1st Session

Vote No. 521

October 27, 1995, 10:17 a.m.  
Page S-15986 Temp. Record

## BALANCED BUDGET RECONCILIATION/Tax Expenditure Reductions

**SUBJECT:** Balanced Budget Reconciliation Act of 1995 . . . S. 1357. Exon motion to waive the Budget Act for the consideration of the Wellstone amendment No. 2982.

**ACTION: MOTION REJECTED, 25-73**

**SYNOPSIS:** As reported, S. 1357, the Balanced Budget Reconciliation Act of 1995, will result in a balanced budget in seven years, as scored by the Congressional Budget Office (CBO). The bill will also provide a \$245 billion middle-class tax cut, \$141.4 billion of which will be to provide a \$500 per child tax credit.

**The Wellstone amendment** would repeal the deduction for intangible drilling costs for oil, gas, and geothermal wells, would strike the reforms of the alternative minimum tax that are proposed in the bill, would eliminate the exclusion for foreign-earned income, and would repeal the section 936 tax credit for businesses operating in Puerto Rico and other United States' possessions. Each November, the Office of Management and Budget (OMB) would make an estimate of the expected savings from this amendment and the President would then direct the Treasury to pay an amount equal to that estimate to retire United States' debt. (This requirement to retire debt would have no practical effect. The Senate may vote to spend money as it wishes by a majority vote up to the Budget Act spending caps, and it may exceed those caps with a three-fifths majority (60) vote. This requirement would have no effect on borrowing or spending authority.) The sponsor of the amendment stated that the 7-year increase in tax collections from the amendment would be \$60 billion to \$70 billion.

Debate on first-degree amendments to reconciliations bills is limited to 2 hours each. Debate on the Wellstone amendment was further limited by unanimous consent. Following debate, Senator Domenici raised the point of order that the amendment violated the germaneness requirements of the Budget Act. Senator Exon then moved to waive the Budget Act for the consideration of the amendment. Generally, those favoring the motion to waive opposed the amendment; those opposing the motion to waive favored the amendment.

**NOTE:** A three-fifths majority (60) vote of the Senate is required to waive the Budget Act. Following the failure of the motion to waive, the point of order was upheld and the amendment thus fell.

(See other side)

YEAS (25)		NAYS (73)		NOT VOTING (1)	
Republicans (1 or 2%)	Democrats (24 or 53%)	Republicans (52 or 98%)	Democrats (21 or 47%)	Republicans (0)	Democrats (1)
Snowe	Akaka	Abraham	Helms		Feinstein- <sup>2</sup>
	Boxer	Ashcroft	Hutchison		
	Bradley	Bennett	Inhofe		
	Bryan	Bond	Jeffords		
	Conrad	Brown	Kassebaum		
	Exon	Burns	Kempthorne		
	Feingold	Campbell	Kyl		
	Harkin	Chafee	Lott		
	Hollings	Coats	Lugar		
	Inouye	Cochran	Mack		
	Kennedy	Cohen	McCain		
	Kerrey	Coverdell	McConnell		
	Kerry	Craig	Murkowski		
	Kohl	D'Amato	Nickles		
	Leahy	DeWine	Pressler		
	Levin	Dole	Roth		
	Mikulski	Domenici	Santorum		
	Moynihan	Faircloth	Shelby		
	Murray	Frist	Simpson		
	Pell	Gorton	Smith		
	Reid	Gramm	Specter		
	Sarbanes	Grams	Stevens		
	Simon	Grassley	Thomas		
	Wellstone	Gregg	Thompson		
		Hatch	Thurmond		
		Hatfield	Warner		
			Baucus		
			Biden		
			Bingaman		
			Breaux		
			Bumpers		
			Byrd		
			Daschle		
			Dodd		
			Dorgan		
			Ford		
			Glenn		
			Graham		
			Heflin		
			Johnston		
			Lautenberg		
			Lieberman		
			Moseley-Braun		
			Nunn		
			Pryor		
			Robb		
			Rockefeller		

### EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

### SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

**Those favoring** the motion to waive contended:

It is just as easy to spend money through tax loopholes as it is to spend it through appropriations. Giving out special tax breaks to our favorite industries costs the Treasury just as surely as it would cost it if we were to write out welfare checks for those industries. With this fact in mind we have proposed the Wellstone amendment. It would eliminate special tax breaks for oil companies, which are enormously profitable and which are encouraged by these tax breaks to drill in environmentally sensitive areas. Next, the amendment would get rid of the Puerto Rico section 936 credit, which is supposed to encourage employment in Puerto Rico but in reality just ends up pumping millions of dollars in extra profits into the coffers of rich corporations. Third, the amendment would eliminate the foreign earned income tax exclusion. Right now it is possible for an American citizen to earn up to \$70,000 overseas without having to pay any taxes at all on that income, regardless of how much foreign taxes are paid. We think this exclusion is an outrageous way to avoid double taxation. Fourth, it would strike the bill provisions to get rid of the Alternative Minimum Tax. That tax has made sure for years that corporations that have gained enough loopholes to avoid paying taxes under the regular tax code will at least have to pay some taxes. After eliminating these tax loopholes, the Wellstone amendment would take the \$60 billion to \$70 billion extra that would be collected in taxes and would apply it against the deficit. We think this is a very frugal, responsible amendment that deserves our support.

**Those opposing** the motion to waive contended:

The Wellstone amendment is an amalgam of good and bad proposals, pursued in an irresponsible manner. For instance, many of us favor eliminating the section 936 tax credit. However, to eliminate it instantaneously would be grossly unfair to those businesses that have built their operations in Puerto Rico due to the existence of that credit, and that are dependent on that credit to be profitable. Pulling the rug out from under countless businesses with tens of thousands of employees is irresponsible. The bill before us will also get rid of the section 936 credit, but it will phase it out over 7 years, giving companies and workers a chance to adjust.

The worst proposal in the Wellstone amendment, perhaps made out of some knee-jerk animosity toward oil companies, is its suggested elimination of the deduction for intangible drilling costs. That deduction is for domestic exploration only. Major oil companies are not interested in domestic exploration; Congress has made it difficult enough to do business in America that they principally confine their development activities to overseas. The companies that engage in domestic oil exploration are small independent producers with an average of 5 employees. This industry is less than thriving--450,000 jobs have been lost in the last decade, as the industry has been nearly halved. These companies have high up-front costs to look for oil. The remaining, struggling companies need this special deduction. Senators may talk all they want about making the domestic industry compete on the same terms as other businesses, and they may talk about how they are stopping tax breaks for greedy corporate fat cats so more money will be available for welfare recipients and average working Americans, but they do not know what they are talking about. It may make them feel good to think they are sticking up for the little guy, but if their proposal passes, our country's national security will be greatly weakened, and more average, hard-working Americans involved in oil exploration will be out of work.

America was once energy sufficient, but each year it becomes more dependent on foreign sources of oil. In 1973, when the OPEC oil embargo crippled America, only 34 percent of its oil was imported. More than 50 percent is now imported, and that 50 percent accounts for more than half of our country's trade deficit. It also threatens our national security. The danger of that dependency was aptly illustrated by the Persian Gulf War.

Our colleagues have offered this amendment with the best of intentions. They hope to eliminate tax loopholes and to use the savings to reduce the deficit. However, though they have the best of intentions, their amendment would have the worst of results. Sincerity is not enough, and is dangerous when one is sincerely wrong. We urge the rejection of this dangerous amendment.